

Message Text

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ACTION ARA-20

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TAGS: BDIS, EIND, ENRG, PE

SUBJ: VELASCO COMMENTS TO PRESS ON CERRO DE PASCO

AND GREENE MISSION

REF: LIMA 9254, LIMA 229, LIMA 247

PASS WHITEHOUSE FOR STERNFELD, TREASURY FOR BRADFIELD

DURING COURSE OF ROUTINE PRESS CONFERENCE ON JANUARY 9, PRESIDENT VELASCO ANSWERED SEVERAL QUESTIONS RELATING TO CERRO DE PASCO EXPROPRIATION AND GREENE MISSION. UN-OFFICIAL TRANSLATION OF OFFICIAL TRANSCRIPT FOLLOWS:

1. QUESTION; MR. PRESIDENT, RETURNING TO THE THEME OF CERRO DE PASCO, A LITTLE WHILE AGO SPOKESMEN OF THAT COMPANY DECLARED IN NEW YORK THAT THE GOVERNMENT OF PERU OWED THEM \$175 MILLION FOR THE VALUE OF THE EXPROPRIATED INSTALLATIONS. THE PERUVIAN EXPERTS SPOKE OF A MUCH SMALLER QUANTITY. MY QUESTION IS, IN THE EVENT OF DISAGREEMENT, MIGHT THE NORTH AMERICAN GOVERNMENT TAKE MEASURES SIMILAR TO THOSE WITH WHICH IT HAS NOW THREATENED THE ARABS, AND IN SUCH A CASE, WHAT ATTITUDE WOULD THE REVOLUTIONARY GOVERNMENT TAKE?

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ANSWER: SUCH TIMES NO LONGER EXIST. I DON'T THINK THE GOVERNMENT OF THE UNITED STATES WANTS TO BREAK ITS FRIENDSHIP WITH PERU FOR THE SAKE OF A COMPANY. FOR THE REST, EXPROPRIATION IS THE RIGHT OF EVERY COUNTRY. AND HERE WE ARE SPEAKING OF EXPROPRIATION, NOT CONFISCATION, WHICH MEANS WE INTEND TO PAY A JUST PRICE.

AND CERRO, HOW MUCH DOES IT WANT? DID YOU SAY \$175 MILLION? NO, PERU IS NOT GOING TO PAY ANY SUCH FIGURE. IN SUCH CASES, THERE ARE NORMS, THERE ARE LAWS. THE EXPROPRIATING COUNTRY, IN THIS CASE PERU, DESIGNATES ITS EXPERTS. THERE IS AN EVALUATION. THE EXPROPRIATED COMPANY, FOR ITS PART, MAKES ITS OWN EVALUATION. IF THERE IS DISAGREEMENT, THERE CAN BE A THIRD TEAM OF EVALUATORS WHO CAN ACT AS RECONCILIATORS. LITTLE BY LITTLE, THE TRUTH OF THE FIGURES IS ESTABLISHED. BUT WE WON'T PAY WHAT THEY ARE DEMANDING.

2. QUESTION: ON THE 31ST OF DECEMBER, THE REVOLUTION EXPROPRIATED CERRO. PREVIOUSLY, NEGOTIATIONS WERE GOING ON WITH THE REPRESENTATIVE OF PRESIDENT NIXON. HAS THAT NEGOTIATION CONCLUDED? WHAT HAPPENED TO THE PACKAGE THAT WAS THE SUBJECT OF THESE CONVERSATIONS?

ANSWER: THE PACKAGE CONTAINS A SERIES OF PROBLEMS RELATED TO NORTH AMERICAN ENTERPRISES OPERATING IN PERU. THE CONVERSATIONS ARE CONTINUING. MR. GREENE, SENT BY PRESIDENT NIXON, WILL RETURN IN THE MIDDLE OF THE MONTH. THE PERUVIAN TEAM, LED BY THE PRIME MINISTER, GENERAL MERCADO, IS CONDUCTING THE NEGOTIATIONS CAREFULLY, PROTECTING PERUVIAN INTERESTS. YOU MAY BE SURE THAT WE AREN'T GOING TO PAY ONE CENT MORE THAN THE TRUE WORTH OF EACH ENTERPRISE. WITHIN THESE NEGOTIATIONS, THE PROBLEM OF CERRO IS A POINT, BUT THERE ARE OTHER IMPORTANT QUESTIONS RELATING TO GOOD RELATIONS BETWEEN THE TWO COUNTRIES.

3. QUESTION: MR. PRESIDENT, A DISPATCH FROM THE (NEWS) AGENCY FOR WHICH I WORK HAS REPORTED RUMORS FROM A DIPLOMATIC SOURCE TO THE EFFECT THAT THE CONVERSATIONS UNCLASSIFIED

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WITH MR. GREENE INDICATE THAT THE NORTH AMERICAN GOVERNMENT WILL OFFER CREDITS TO PERU.

ANSWER: AS YOU KNOW, WHEN WE GRASPED THE NETTLE OF IPC, THE UNITED STATES CLOSED OFF CREDITS TO US. THIS SITUATION CONTINUED UNTIL A SHORT TIME AGO. THE SHIP OF THE REVOLUTION IS NOT GOING TO SINK ON THIS ACCOUNT. THE POSSIBILITY YOU MENTIONED, THAT THE

GOVERNMENT OF THE UNITED STATES WILL OPEN LINES OF CREDIT, DOES EXIST. NOW, IF THEY CONTINUE TO DENY US CREDITS, WHAT ARE WE GOING TO DO? HAV'NT WE JUST GONE THROUGH FIVE YEARS WITHOUT NORTH AMERICAN CREDITS? TODAY WE HAVE (DIPLOMATIC) RELTIONS WITH ALMOST ALL THE WORLD. THE CREDITS THEY DENIED US HAVE COME TO US FROM ELSEWHERE. IF THE UNITED STATES NOW OPENS THE VALVE, WELCOME, WHEN AND IF THESE CREDITS SUIT US, BECAUSE IF THEY DON'T SUIT US, WE APPRECIATE THE GESTURE, AND THAT'S THE END OF IT. HAPPILY, WE CAN COUNT ON THE HELP OF OTHER COUNTRIES, JAPAN AND THE FEDERAL REPUBLIC OF GERMANY TO CITE ONLY TWO EXAMPLES, AND MOREOVER, WE CAN COUNT ON (OUR) PETROLEUM. WHO WON'T LEND TODAY AGAINST THE BACKING (REPRESENTED BY) PETROLEUM? PETROPERU IS MANAGING THIS MATTER. HERE WE HAVE GENERAL FERNANDEZ BACA WHO ALREADY POSSESSES GREAT EXPERIENCE. DON'T WORRY, WE'LL COME OUT AHEAD.
BELCHER

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